

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

October 11, 2004
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Noble, and Councilmembers Balducci, Chelminiak, Davidson, Degginger, and Lee

ABSENT: None.

1. Executive Session

Deputy Mayor Noble opened the meeting at 6:00 p.m. and announced recess to Executive Session for approximately one hour and 15 minutes to discuss one item of property disposition, two items of property acquisition, and two items of potential litigation.

The meeting resumed at 7:15 p.m. with Mayor Marshall presiding.

2. Oral Communications

- (a) Arlene Darby distributed copies of articles and information regarding sound and decibels. She asked the Council to give credence to noise complaints from citizens.
- (b) Jeff Pyatt, an Eastside Football Club (soccer club) board member, presented a proposal to implement a user fee to convert Robinswood Park fields to field turf, which would allow year-round use of the fields for soccer and lacrosse. In a 2001 Parks Department Sportsfield Analysis, converting Robinswood to field turf received more votes from User Group participants than any other priority.
- (c) A representative of the Bellevue Boys Lacrosse Club expressed support for Mr. Pyatt's proposal and noted that lacrosse season runs from January through June, a time when most fields are closed.
- (d) Peter Adler, Group Health Cooperative, described Group Health's partnership in expanding Overlake Hospital Medical Center. Group Health plans to close its Redmond hospital in 2008 and transfer services to the Overlake campus. The expansion project is on an aggressive schedule to open by late 2007 or early 2008. Mr. Adler thanked Council

and planning staff for their support and collaborative spirit to date. He asked Council to approve agenda items 3(e)(1) and 3(e)(2).

- (e) Mike Hubbard noted his role in coordinating the efforts of all partners involved in the expansion of Overlake Hospital Medical Center. He expressed appreciation for the dedication and hard work of staff including City Manager Steve Sarkozy, Transportation Director Goran Sparrman, PCD Director Matt Terry, and Land Use Director Carol Helland. He thanked Peter Adler, Bill Biggs, Ken Graham, Jan Donaldson, and consultants on the project including NBBJ and Trammell Crow.
- (f) Leslie Lloyd, Bellevue Downtown Association, noted the 2004 Comprehensive Plan update before Council and encouraged support of the Downtown Implementation Plan without any changes. She expressed concern regarding bus layover areas designated on NE 10th Street and suggested alternative locations such as alleys, unused rights-of-way, and private parking lots. Ms. Lloyd described plans for residential and retail development along NE 10th Street. She thanked Planning Director Dan Stroh, Planner Emil King, and staff for their outstanding work on the Downtown Bellevue design charette.
- (g) Marty Nizlek, West Lake Sammamish Association, noted previous discussions with Council regarding alternatives for roadway and pedestrian/bicycle improvements along West Lake Sammamish Parkway. Residents have been working with Cascade Bicycle Club board members and are close to reaching a consensus on a preferred alternative. Mr. Nizlek requested continued work to refine development of a final alternative.
- (h) Robert G. Sheehan, West Bellevue Community Club, recalled correspondence to Council earlier in the year expressing concern about the expansion of electrical facilities in residential areas to support downtown development. Referring to Comprehensive Plan policy UT-60, he suggested the addition of a reference to terrorism risks. He asked Council to pay special attention to neighborhood impacts associated with electrical facilities.
- (i) Richard Wagner introduced himself as a licensed electrical engineer and noted Mr. Sheehan was chief engineer for Seattle City Light. They testified before the Planning Commission on July 21 to discuss the need for a plan to serve downtown electrical needs. Mr. Wagner said the Comprehensive Plan lacks an electric utility plan. The current proposed expansion of the Lochleven Substation should be evaluated in the context of a long-term plan. Mr. Wagner asked Council to require Puget Sound Energy to develop a long-range plan. He feels policy UT-73 regarding neighborhood impacts should be applied now and not in 2013.

3. Study Session

(a) Council New Initiatives

[No new initiatives were introduced.]

(b) City Manager's Report

City Manager Steve Sarkozy asked staff to provide an update on the natural gas explosion and fire at a Spiritridge home in early September. Interim Fire Chief Mike Eisner explained that the action plan in response to this incident contains nine elements, including a communications plan. Puget Sound Energy subsequently mailed a communications packet to 2,600 homes in the Spiritridge neighborhood. Two leak surveys have been conducted since the accident, and additional surveys will continue every 30 days until the WUTC (Washington Utilities and Transportation Commission) order is rescinded. A second community meeting was held last week with approximately 70 residents in attendance, and a third meeting is planned for a future update.

Mr. Sarkozy announced that A Regional Coalition for Housing (ARCH) was recently awarded the first Innovations in American Government Award in Affordable Housing. ARCH was selected from more than 900 applicants by the Fannie Mae Foundation and the Ash Institute at Harvard University's John F. Kennedy School of Government. Planning Director Dan Stroh said ARCH was founded by Bellevue, Kirkland, Redmond, and King County 12 years ago to create partnerships and provide affordable housing. Art Sullivan has served as program manager/director of ARCH since its inception. Mayor Marshall thanked him for his work and leadership.

(c) Proposed Ashwood Plaza Property Transactions

Parks and Community Services Director Patrick Foran displayed a map of the Ashwood Plaza site, a City-owned property of approximately ¼ acre at the northeast corner of NE 10th Street and 108th Avenue NE. The proposal is to sell the property to 1020 LLC (John Su's development company), reserving a permanent pedestrian and recreational easement on the surface to construct a public plaza/park on the site. The adjacent 1020 Tower project is a 21-story building that will have 174 apartments on a base of retail, food service, and a community theater.

Mr. Foran said the project fulfills the Comprehensive Plan's goals and guidelines for this downtown subarea. The project was submitted for design review in 2002 and is currently on hold pending approval of this proposed transaction.

Mr. Foran reviewed the key points of the transaction:

- City sells Ashwood Plaza site to 1020 LLC, reserving a perpetual public easement.
- 1020 LLC receives the right to construct an underground parking garage, increased FAR (floor-area ratio) of 30,000 square feet, the use of Ashwood Park as a temporary construction staging area, and a 20-foot no-build easement in Ashwood Park.
- The property was appraised at \$514,000. The City receives \$408,000 in cash to construct plaza improvements, a permanent easement for public access to the plaza, plaza design costs to be paid by 1020 LLC, and plaza maintenance to be provided by 1020 LLC for five years. The total value of the City's benefit in the transaction is \$579,000.
- The purchase and sale agreement states the City Council will approve the plaza master plan, and the City will construct the plaza.

Mr. Foran explained that design of the plaza will be subject to a public process involving the Parks and Community Services Board, residents, and the designer. The following design guidelines have been established for the plaza:

- Will serve as an entry to Ashwood Park.
- Strong civic presence.
- Accessible to the public at all times.
- Flexible for future development opportunities in Ashwood Park.
- Memorable and unified streetscape.

The purchase and sale transaction will close no later than December 31, 2006. Construction of the plaza will be coordinated with construction of the 1020 Tower within six years from closing.

Mayor Marshall noted Council previously discussed the proposal in Executive Session as outlined in state law.

Mr. Degginger questioned the six-year time period allowed for construction of the plaza. Mr. Foran said the time is needed in order for 1020 LLC to obtain building permits and move forward with this and other projects.

(d) 2004 Comprehensive Plan Update and Accompanying Land Use Code Amendments (LUCA)

Kathleen Burgess, Comprehensive Planning Manager, explained that the second set of Comprehensive Plan Elements addressed in the 2004 update will be presented tonight: 1) Environmental Element, 2) Parks, Open Space and Recreation Element, 3) Housing Element, and 4) Human Services Element.

Marcelle Lynde, Planning Commission Chair, said revisions to the Environmental Element are consistent with recommendations of the Critical Areas Citizen Advisory Committee and reflect the objective to protect both the environment and individual property rights. Ms. Lynde introduced Nan Campbell, who chaired the CAC, and Steve Dennis, Vice Chair.

Ms. Campbell commended CAC members for their expertise and work on behalf of the community. Twenty CAC meetings were held over 18 months, and two community meetings were held to solicit input and feedback from interested residents.

Mr. Dennis said CAC members recognized the longstanding importance of environmental protection to the community. They understood that regulations, incentives, and City programs all play a role in protecting the environment.

Ms. Burgess said the Environmental Element includes regulations as well as non-regulatory items including citizen education, low-impact development measures, and best management practices. The regulatory work is moving forward through the Planning Commission process and will return for Council consideration next Spring. Ms. Burgess acknowledged this will not

meet the December 2004 deadline for updating the Growth Management Act. However, after a clarification of state law indicated the need to also address shorelines, additional work was necessary to include shoreline regulations in the update.

Responding to Councilmember Lee, Ms. Burgess said regulatory incentives include density transfer credits and vegetation enhancement. The CAC discussed non-regulatory incentives including tax credits and utility fee credits. Staff will work with the Utilities Department to determine the feasibility of these measures. Mr. Lee encouraged the development of additional incentives.

Mr. Degginger commended the CAC for its work. He commented on the complexity of balancing multiple goals and objectives in Comprehensive Plan policies, some of which contradict each other, and suggested acknowledging this challenge in the Plan. Mr. Degginger noted areas in the Environmental Element in which regulations are strictly stated without providing the objective or rationale behind the requirement.

Mayor Marshall expressed support for Bellevue's open surface water system. However, in the case of Forest Drive, it is desirable to provide a covered system to allow pedestrian and bicycle access along the road. She concurred with Mr. Degginger about the challenge of finding the right balance between objectives.

Ms. Campbell encouraged Councilmembers to read background information on the Environmental Element to determine whether their concerns are addressed.

Councilmember Balducci noted policy EN-11, which emphasizes a balanced approach.

Ms. Burgess said there are no substantive changes to the Parks, Open Space and Recreation Element.

Moving to housing, Ms. Lynde explained that the Planning Commission sponsored a housing fair to discuss priorities with residents. The Commission and residents spent a significant amount of time talking about neighborhood integrity and compatibility, particularly as they relate to redevelopment impacts. Ms. Lynde said 90 percent of Bellevue's new residential capacity is multifamily (condos and apartments). Future trends include smaller households and older residents.

Ms. Burgess highlighted three key areas of the Housing Element: 1) neighborhood quality and vitality, 2) increasing housing choices, and 3) housing affordability. Policies for the first area address neighborhood revitalization and the compatibility of new larger homes within existing neighborhoods. To expand housing choices, policies have been added to allow detached accessory dwelling units (ADUs), which are currently allowed in most surrounding communities. The Planning Commission recommends allowing demonstration projects of cottages and alternative housing types as well. Policies related to affordable housing encourage a review of the City's multifamily land use standards to enhance affordability, a review of Housing Trust Fund priorities, and consideration of financial incentives to encourage affordable housing.

Ms. Burgess said no major changes are proposed for the Human Services Element. However, the section adds community goal areas developed by United Way.

Mr. Lee noted the large Asian-American population and the growing Latino population in the community and questioned whether these demographics are addressed in the Housing and Human Services Elements. Ms. Burgess said human services providers have many programs aimed at specific immigrant groups. Housing policies emphasize the need for more affordable housing but are not specifically targeted to different cultural/ethnic groups. Mr. Lee feels there is a need for senior housing for older immigrants.

Responding to Mr. Chelminiak, Ms. Lynde said the Planning Commission discussed possible policies related to newer “mega” houses but determined this would be more appropriately addressed through subarea planning processes because different neighborhoods have different goals.

Dr. Davidson expressed concern that allowing detached accessory dwelling units could change the character of existing neighborhoods. Ms. Burgess explained that Mercer Island, all Eastside cities, and two of the Points communities allow detached ADUs and have not reported negative impacts or issues. Ms. Lynde said she was not present for the Planning Commission’s discussion on detached ADUs. However, the Commission wants to be sure that any residential redevelopment is consistent with the existing neighborhood character.

Mayor Marshall shares Dr. Davidson’s concern and feels preserving the character and quality of Bellevue’s neighborhoods is a top priority, regardless of what other jurisdictions have done. She is not opposed to attached ADUs but is concerned that detached structures in backyards could adversely affect neighboring property values. Mayor Marshall favors the current strategy to concentrate the majority of new housing units in the downtown. In addition, she would like to see housing units incorporated into neighborhood shopping centers. Mrs. Marshall believes the City can meet its growth management goals while protecting single-family neighborhoods.

Mayor Marshall thanked the Planning Commission and staff for their hard work.

(e) NE 10th Street Extension

Mr. Sarkozy opened discussion regarding the NE 10th Street extension project as it relates to efforts by Overlake Hospital Medical Center and Group Health Cooperative to expand the Overlake campus. The road project is recommended in the Downtown Implementation Plan to improve downtown circulation and will enhance access to the health care campus as well.

Transportation Director Goran Sparrman displayed a map of roadway projects recommended by the Downtown Implementation Plan Citizen Advisory Committee, which shows the extension of NE 10th Street and NE 2nd Street across I-405 to surface streets east of downtown.

Mr. Sparrman cautioned that the engineer’s estimate for the NE 10th Street extension is preliminary and based on the Washington State Department of Transportation’s estimating process for determining a cost range for future projects. Projects further into the future have a

higher level of uncertainty and therefore tend to be estimated at a higher dollar figure. Mr. Sparrman and staff feel the actual cost will be lower. The estimated cost of Phase 1 (section of NE 10th Street immediately adjacent to Overlake campus) is \$6.3 million, and \$4.65 million in additional funding is needed to complete this phase. Staff requests approval tonight to increase the construction budget by \$1 million. Construction completion of Phase 1 is scheduled for mid-2007.

- (1) Motion to increase the project budget for NE 10th Street Extension by \$1,000,000. (CIP Plan No. PW-R-149)

- Deputy Mayor Noble moved to approve a budget increase of \$1 million for Phase 1 of the NE 10th Street extension project. Ms. Balducci seconded the motion.
- The motion to approve a budget increase of \$1 million for Phase 1 of the NE 10th Street extension project carried by a vote of 7-0.

- (2) Resolution No. 7084 committing the City to support planning, permitting, and construction efforts to develop the extension of NE 10th Street between 116th Avenue NE and 112th Avenue NE necessary to facilitate the Overlake Hospital Medical Center and Group Health Cooperative proposals to expand on the Overlake campus.

- Mr. Noble moved to approve Resolution No. 7084 (Revised version provided in Council's desk packet), and Mr. Lee seconded the motion.
- The motion to approve Resolution No. 7084 carried by a vote of 7-0.

At 9:18 p.m., Mayor Marshall declared a break. The meeting resumed at 9:25 p.m.

- (f) Neighborhood Vitality and Livability

Mayor Marshall announced that this agenda item will be moved to a future meeting.

- (g) Downtown Bellevue Transit Layover Discussion

Mr. Sparrman introduced discussion regarding the identification of bus layover spaces in downtown Bellevue.

Jim Jacobson, King County/Metro, explained that the effectiveness of the transit system is influenced by local policy decisions (land use, urban design, zoning, parking) and the operating environment (density, land use patterns, congestion, transit facilities). He described the need for layover spaces to accommodate buses between routes and to allow time for bus drivers to take a break. Ideally, the layover spaces are strategically located to ensure the optimum efficiency of the transit system.

Mr. Jacobson said projections indicate that 19 layover spaces will need to be added in downtown Bellevue by 2020, or by the time full build-out of transit services is achieved in Bellevue. The Access Downtown project eliminated eight bus layover spaces on 114th Avenue NE in 2001, which were replaced. However, five spaces on NE 6th Street were eliminated again this year due to the project. Mr. Jacobson briefly reviewed bus layover zones in Issaquah, Kirkland, Redmond, and Seattle.

Mr. Sparrman said a 2000 analysis shows that buses carried approximately 27 percent of downtown Bellevue commute period trips and 6 percent of all trips. It is projected that buses will carry 40 percent of downtown commute period trips and 10 percent of all trips by 2020. The regional HOV system is maturing and a high-capacity transit connection from Seattle via I-90 is a possibility.

Mr. Sparrman explained that Bellevue has about half of the amount of right-of-way as most cities due to the larger blocks and fewer number of streets. This presents a challenge in terms of locating bus layover spaces. Mr. Sparrman displayed a map of the 10 layover spaces currently in downtown Bellevue. He said a recent analysis of possible layover spaces concluded that 25 sites are not feasible but identified 10 sites that warrant additional study. This led staff to investigate the possibility of an off-street facility.

Mr. Sparrman reviewed potential off-street bus layover sites beginning with the King County-owned parcel adjacent to the New City Hall site, which was determined to be not feasible for a layover facility. Potential sites considered to be feasible include a parcel at NE 4th Street and 112th Avenue NE, several options along 111th Avenue NE, and the 520 Building/Coco's (112th Avenue NE).

To meet short-term needs, Mr. Sparrman said staff recommends creating two temporary layover spaces on NE 10th Street between 106th Avenue NE and 108th Avenue NE to replace the spaces lost due to construction of the Access Downtown project.

Responding to Dr. Davidson, Mr. Jacobson said there are no current plans to provide a ride free zone in downtown Bellevue.

Dr. Davidson said he is not in favor of layover spaces on downtown streets, particularly since much of the infrastructure was funded by local businesses through a local improvement district (LID) arrangement. He supports efforts to establish an off-street facility and questioned when this could be accomplished.

Mr. Lee would like to see a commitment from King County/Metro to provide a ride free zone in downtown Bellevue in conjunction with developing a bus layover solution. He noted that transit services and needs will likely change due to technology innovations by 2020.

Mr. Chelminiak is not in favor of the proposed layover locations on NE 10th Street. He described congestion that occurs now at times associated with bus layover spaces in the vicinity of NE 10th Street and 102nd Avenue.

Responding to Mr. Chelminiak, Mr. Sparrman said locations farther from downtown, such as east of I-405, would reduce the number of bus hours on the road for transit service. Mr. Sparrman feels the temporary layover spaces on NE 10th Street would work for the next two to three years while a permanent facility is constructed and the NE 10th Street extension project is completed.

Responding to Deputy Mayor Noble, Mr. Jacobson said Metro funded the layover facilities in downtown Seattle. Sound Transit and the City of Bellevue would be expected to participate in funding a Bellevue facility.

Mayor Marshall summarized Council's support of transit services and the need to create a permanent layover facility. Council continues to be interested in the future implementation of a ride free zone in downtown Bellevue as well.

- ➡ At 9:59 p.m., Mr. Noble moved to extend the meeting to 10:30 p.m. Mayor Marshall seconded the motion.
- ➡ The motion to extend the meeting to 10:30 p.m. carried by a vote of 7-0.

(h) West Lake Sammamish Parkway Alternatives Analysis and Project Update

Assistant Transportation Director David Berg recalled ongoing work to develop and analyze alternatives for roadway improvements along West Lake Sammamish Parkway. However, residents have been unable to reach a clear consensus on the nature of the improvements.

Nancy LaCombe, Project Manager, said the top concern of residents is traffic on the parkway followed by pedestrian safety, bicycle safety, and maintaining neighborhood character. Five public workshops were held between November 2003 and June 2004, a public forum drew more than 200 attendees in May 2004, and three open houses were held in June 2004.

Ms. LaCombe reviewed the project alternatives and cost estimates presented to Council in late June. Additional costs include \$3.5 million for storm water improvements, \$3.5 million for storm water easements, \$7-\$9 million for underground overhead power lines, and \$1 million for illumination. Property owners along West Lake Sammamish Parkway would each be responsible for \$5,000-\$10,000 in costs associated with undergrounding utilities.

Ms. LaCombe reviewed the project budget and indicated remaining balances of \$90,000 for design, \$10,000 for right-of-way, and \$160,000 for construction. Staff members feel they are close to a solution that could be supported by most stakeholders and would like to continue working with the community to refine a preferred alternative. Staff proposes the following next steps:

- November 2004 – Return for Council action to amend the consultant agreement.
- Staff would work through February 2005 to refine and coordinate a preferred alternative.
- February 2005 – Presentation to Parks and Community Services Board.
- March 2005 – Presentation to Transportation Commission.

- April 2005 – Staff recommendation to be presented to Council.

Ms. Balducci feels there is a consensus among residents to lower the speed limit on West Lake Sammamish Parkway and to agree on a project now rather than delay for another 5 to 10 years. Mr. Chelminiak concurred.

Responding to Deputy Mayor Noble, Mr. Sparrman clarified that although \$90,000 remains in the design budget, the original consultant contract for \$200,000 has been expended. Therefore Council approval of a contract amendment will be requested in November.

- ➡ Deputy Mayor Noble moved to approve utilization of remaining design funds to further the West Lake Sammamish Parkway design analysis, which will require amendment of the consultant's contract in November. Mr. Degginger seconded the motion.
- ➡ The motion to approve utilization of remaining design funds to further the West Lake Sammamish Parkway design analysis, which will require amendment of the consultant's contract in November, carried by a vote of 7-0.

Mayor Marshall declared the meeting adjourned at 10:15 p.m.

Myrna L. Basich
City Clerk

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